GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:7247
ANSWERED ON:12.05.2000
FACILITIES TO THE EXPORTERS
RAM SHAKAL

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government propose to strengthen the existing basic facilities, such as ports, electricity, communication, transport and requisite concessional loans to exporters to promote the exports;

(b) if so, the details thereof; and

(c) if not, the steps taken by the Government to remove the obstacles being faced by the exporters in this regard?

Answer

MINISTER OF COMMERCE & INDUSTRY (SHRI MURASOLI MARAN)

(a) to (c) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN PARTS (a) TO (c) OF THE LOK SABHA UNSTARRED QUESTION NO. 7247 FOR ANSWE
12.05.2000 REGARDING FACILITIES TO THE EXPORTERS

(a) to (c) Government is taking concerted action in continuous strengthening of the infrastructure. The Ministry of Commerce acts in close co-ordination with the other Ministries, Departments and agencies for the purpose. Standing Committees on Promotion of Exports (SCOPE) in respect of air cargo (SCOPE-AIR) and sea borne cargo (SCOPE-SHIPPING) are functioning in the Minis These help to resolve constraints encountered in export transportation and to advise on long term strengthening of infrastructure. The Ministry of Surface Transport is upgrading the port infrastructure. Inland Container Depots (ICDs) and Container Freight Stations (CFSs) are being established in various parts of the country to facilitate container transportation of goods and intermodal conveyance. An Inter-Ministerial Committee accords single-window clearance for establishing these ICDs and CFSs. An Open Sky Policy has been adopted to permit uninterrupted clearance of air cargo. Private initiatives is being harnessed in creating infrastructure at ports, airports, in upgrading highways and in setting up of ICDs/CFSs, warehouses, etc.

To speed up the transactions and to bring about transparency in the offices of DGFT, electronic filing of applications has been already introduced in 7 major ports and is being extended to all the remaining ports which would help the exporters in getting licences within 24 hours. With the proposed electronic data interchange with the other Government organisations, the transaction time and cost shall get reduced substantially.

Under RBI`s schemes, credit facilities are provided by the commercial banks to exporters at pre-shipment and post-shipment stages both in Rupees as well as in foreign currency at concessional rates of interest. To ensure adequate availability of credit to the export sector, RBI is closely monitoring the flow of credit to the export sector both under Rupee Scheme as well as Foreign Currency Schemes viz; Pre-shipment credit in foreign currency (PCFC) and Rediscounting of Export Bills abroad (EBR). To ensure timely availability of funds to the exporters, RBI has prescribed time limits for banks for sanction of fresh/enhanced/adhoc creditlimits and also for renewal of existing credit limits. Banks are required to sanction fresh/enhanced credit limits to finance exports within 45 days from the date of receipt of application with complete data and financial accounts. In case of renewal of credit limits and sanction of adhoc credit facilities, banks are required to act within a period of 30 days and 15 days respectively from the date of application with relevant particulars. All cases of rejection of export credit are to be brought to the notice of the Chief Executive of the banks with reasons for such rejection. Banks have been further advised to see that no export order suffers for want of banks finance.

While reviewing the monetary and credit policy for the year 1999-2000 the following measures have been taken by RBI:-

(i) It has been decided to withdraw the interest rate surcharge of 30% on import finance (which has been in force since January, 1998) w.e.f. 29.10.99 which will reduce the financing cost of imports for the industry.

(ii) Banks were required to charge a minimum rate of 20% interest on overdue export bills. This stipulation has also been withdrawn w.e.f. 29.10.99 and banks will henceforth have the freedom to decide the appropriate rate of interest on overdue export bills.